

Senate File 486 - Introduced

SENATE FILE 486

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 371)

A BILL FOR

1 An Act relating to the approval and imposition of the
2 facilities property tax levy and the equipment replacement
3 and program sharing property tax levy for a merged area and
4 including effective date and applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 260C.15, subsection 1, Code 2015, is
2 amended to read as follows:

3 1. Regular elections held by the merged area for the
4 election of members of the board of directors as required by
5 section 260C.11 or for any other matter authorized by law and
6 designated for election by the board of directors of the merged
7 area, shall be held on the date of the school election as fixed
8 by section 277.1. However, elections held for the ~~renewal~~
9 imposition, rate increase, or discontinuance of the twenty and
10 one-fourth cents per thousand dollars of assessed valuation
11 levy authorized in section 260C.22 shall be held either on the
12 date of the school election as fixed by section 277.1 or at a
13 special election held on the second Tuesday in September of
14 the even-numbered year. The election notice shall be made a
15 part of the local school election notice published as provided
16 in section 49.53 in each local school district where voting is
17 to occur in the merged area election and the election shall be
18 conducted by the county commissioner of elections pursuant to
19 chapters 39 through 53 and section 277.20.

20 Sec. 2. Section 260C.22, subsection 1, paragraphs a and b,
21 Code 2015, are amended to read as follows:

22 a. In addition to the tax authorized under section 260C.17
23 and upon resolution of the board of directors, the voters
24 in a merged area may at the regular school election or at a
25 special election held on the second Tuesday in September of
26 the even-numbered year vote a tax not exceeding twenty and
27 one-fourth cents per thousand dollars of assessed value in any
28 one year for a period not to exceed ten years, unless otherwise
29 provided under subsection 2, for the purchase of grounds,
30 construction of buildings, payment of debts contracted for the
31 construction of buildings, purchase of buildings and equipment
32 for buildings, and the acquisition of libraries, for the
33 purpose of paying costs of utilities, and for the purpose of
34 maintaining, remodeling, improving, or expanding the community
35 college of the merged area. If the tax levy is approved under

1 this section, the costs of utilities shall be paid from the
2 proceeds of the levy. The tax shall be collected by the county
3 treasurers and remitted to the treasurer of the merged area as
4 provided in section 331.552, subsection 29. The proceeds of
5 the tax shall be deposited in a separate and distinct fund to
6 be known as the voted tax fund, to be paid out upon warrants
7 drawn by the president and secretary of the board of directors
8 of the merged area district for the payment of costs incurred
9 in providing the school facilities for which the tax was ~~voted~~
10 authorized.

11 b. In order to make immediately available to the merged
12 area the proceeds of the voted tax ~~hereinbefore~~ authorized to
13 be levied under this section, the board of directors of any
14 such merged area is hereby authorized, without the necessity
15 for any further election, to borrow money and enter into loan
16 agreements in anticipation of the collection of such tax,
17 and such board shall, by resolution, provide for the levy
18 of an annual tax, within the limits of the special voted
19 tax ~~hereinbefore~~ authorized under this section, sufficient
20 to pay the amount of any such loan and the interest thereon
21 to maturity as the same becomes due. A certified copy of
22 this resolution shall be filed with the county auditors of
23 the counties in which such merged area is located, and the
24 filing thereof shall make it a duty of such auditors to enter
25 annually this levy for collection until funds are realized
26 to repay the loan and interest thereon in full. Said loan
27 ~~must mature within the number of years for which the tax has~~
28 ~~been voted and~~ shall bear interest at a rate or rates not
29 exceeding that permitted by chapter 74A. Any loan agreement
30 entered into pursuant to authority herein contained shall be
31 in such form as the board of directors shall by resolution
32 provide and the loan shall be payable as to both principal and
33 interest from the proceeds of the annual levy of the voted tax
34 ~~hereinbefore~~ authorized under this section, or so much thereof
35 as will be sufficient to pay the loan and interest thereon. In

1 furtherance of the foregoing the board of directors of such
2 merged area may, with or without notice, negotiate and enter
3 into a loan agreement or agreements with any bank, investment
4 banker, trust company, insurance company or group thereof,
5 whereunder the borrowing of the necessary funds may be assured
6 and consummated. The proceeds of such loan shall be deposited
7 in a special fund, to be kept separate and apart from all other
8 funds of the merged area, and shall be paid out upon warrants
9 drawn by the president and secretary of the board of directors
10 to pay the cost of acquiring the school facilities for which
11 the tax was ~~voted~~ authorized.

12 Sec. 3. Section 260C.22, subsections 2 and 3, Code 2015,
13 are amended by striking the subsections and inserting in lieu
14 thereof the following:

15 2. Following approval of the tax at two consecutive
16 elections under subsection 1 where the question of imposing
17 the tax appeared on the ballot, if the tax has been imposed
18 for a period of at least twenty consecutive years, the board
19 of directors of the merged area may, by resolution adopted at
20 any time before the end of the most recently authorized period
21 of time for imposing the tax, continue to impose the voted tax
22 each year for an additional period not to exceed ten years at
23 a rate not to exceed the maximum rate approved at election
24 until the tax is discontinued or the maximum rate is increased
25 following an election pursuant to subsection 3. An increase
26 in the maximum rate of the voted tax, not to exceed the maximum
27 rate specified in subsection 1, shall be approved at election
28 pursuant to the requirements of subsection 3.

29 3. A voted tax imposed under this section may be
30 discontinued, or its maximum rate increased, by petition and
31 election. Upon receipt of a petition containing the required
32 number of signatures, the board of directors of a merged area
33 shall direct the county commissioner of elections responsible
34 under section 47.2 for conducting elections in the merged area
35 to submit to the voters of the merged area the question of

1 whether to discontinue the authority of the board of directors
2 to impose the voted tax under this section or to increase the
3 maximum rate of the voted tax, whichever is applicable. The
4 petition must be signed by eligible electors equal in number to
5 not less than twenty-five percent of the votes cast at the last
6 preceding election in the merged area where the question of
7 the imposition of the tax appeared on the ballot and received
8 by the board of directors by June 1 of the year in which the
9 election is to be held. The question shall be submitted at
10 an election held on a date authorized for an election under
11 subsection 1, paragraph "a". If a majority of those voting
12 on the question of discontinuance of the board of directors'
13 authority to impose the tax favors discontinuance, the board
14 shall not impose the tax for any fiscal year beginning after
15 expiration of the period of time for imposing the tax approved
16 at the last election under subsection 1 or the period of
17 time for imposing the tax established by resolution of the
18 board under subsection 2 that is in effect on the date the
19 petition for the election is filed with the board, whichever
20 is applicable, unless following discontinuance the voted tax
21 is again authorized at election under subsection 1. If the
22 question of whether to discontinue the authority of the board
23 of directors to impose the tax fails to gain approval at
24 election, the question shall not be submitted to the voters of
25 the merged area for a period of ten years following the date of
26 the election. If a majority of those voting on the question to
27 increase the maximum rate of the voted tax favors the proposed
28 increase, the new maximum rate shall apply to fiscal years
29 beginning after the date of the election.

30 Sec. 4. Section 260C.22, subsection 4, Code 2015, is amended
31 by striking the subsection.

32 Sec. 5. Section 260C.28, subsection 3, Code 2015, is amended
33 to read as follows:

34 3. a. If the board of directors wishes to certify for a
35 levy under subsection 2, the board shall direct the county

1 commissioner of elections to submit the question of such
2 authorization for the board at an election held on a date
3 specified in section 39.2, subsection 4, paragraph "c". If a
4 majority of those voting on the question at the election favors
5 authorization of the board to make such a levy, the board
6 may certify for a levy as provided under subsection 2 during
7 each of the ten years following the election, unless otherwise
8 authorized under paragraph "b". If a majority of those voting
9 on the question at the election does not favor authorization
10 of the board to make a levy under subsection 2, the board may
11 submit the question to the voters again at an election held on
12 a date specified in section 39.2, subsection 4, paragraph "c".

13 b. Following approval of the additional tax authorized
14 under subsection 2 at two consecutive elections under paragraph
15 "a" where the question of imposing the additional tax appeared
16 on the ballot, if the additional tax has been imposed for a
17 period of at least twenty consecutive years and either the
18 period of time for imposing the additional tax approved at the
19 last election under paragraph "a" or the period of time for
20 imposing the tax established previously by resolution under
21 this paragraph "b" is due to expire, the board of directors
22 of the merged area may, by resolution, continue to impose the
23 additional tax each year for an additional period not to exceed
24 ten years at a rate not to exceed the maximum rate authorized
25 under subsection 2, until the tax is discontinued following an
26 election pursuant to paragraph "c".

27 c. The additional tax authorized under subsection 2 may
28 be discontinued by petition and election. Upon receipt of a
29 petition containing the required number of signatures, the
30 board of directors of a merged area shall direct the county
31 commissioner of elections responsible under section 47.2 for
32 conducting elections in the merged area to submit to the voters
33 of the merged area the question of whether to discontinue the
34 authority of the board of directors to impose the additional
35 tax under subsection 2. The petition must be signed by

1 eligible electors equal in number to not less than twenty-five
 2 percent of the votes cast at the last preceding election in
 3 the merged area where the question of the imposition of the
 4 additional tax appeared on the ballot. The question shall
 5 be submitted at an election held on a date specified in
 6 section 39.2, subsection 4, paragraph "c". If a majority of
 7 those voting on the question of discontinuance of the board
 8 of directors' authority to impose the additional tax favors
 9 discontinuance, the board shall not impose the additional
 10 tax for any fiscal year beginning after the expiration of
 11 the period of time for imposing the tax approved at the last
 12 election under paragraph "a" or the period of time for imposing
 13 the additional tax established by resolution of the board under
 14 paragraph "b" that is in effect on the date the petition for
 15 the election is filed with the board, whichever is applicable,
 16 unless following discontinuance the additional tax is again
 17 authorized at election under paragraph "a". If the question
 18 of whether to discontinue the authority of the board of
 19 directors to impose the additional tax fails to gain approval
 20 at election, the question shall not be submitted to the voters
 21 of the merged area for a period of ten years following the date
 22 of the election.

23 Sec. 6. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
 24 immediate importance, takes effect upon enactment.

25 Sec. 7. APPLICABILITY.

26 1. This Act applies to merged area voted taxes under section
 27 260C.22 in effect on the effective date of this Act and merged
 28 area voted taxes approved at election under section 260C.22 on
 29 or after the effective date of this Act.

30 2. This Act applies to merged area taxes under section
 31 260C.28, subsections 2 and 3, in effect on the effective date
 32 of this Act and merged area taxes approved at election under
 33 section 260C.28, subsection 3, on or after the effective date
 34 of this Act.

35

EXPLANATION

1 The inclusion of this explanation does not constitute agreement with
2 the explanation's substance by the members of the general assembly.

3 This bill relates to the approval and imposition of the
4 facilities property tax levy and the equipment replacement and
5 program sharing property tax levy for a merged area.

6 Current Code section 260C.22 provides that in addition to a
7 merged area's property tax levy under Code section 260C.17, the
8 voters in a merged area may vote a tax levy not exceeding 20 and
9 one-fourth cents per \$1,000 of assessed value for a period not
10 to exceed 10 years for the purchase of grounds, construction of
11 buildings, payment of debts contracted for the construction of
12 buildings, purchase of buildings and equipment for buildings,
13 and the acquisition of libraries, for the purpose of paying
14 costs of utilities, and for the purpose of maintaining,
15 remodeling, improving, or expanding the community college of
16 the merged area.

17 Under the bill, following approval at two consecutive
18 elections where the question of imposition of the tax was on
19 the ballot, if the tax has been imposed for a period of at least
20 20 consecutive years, the board of directors of the merged area
21 may, by resolution adopted at any time before the end of the
22 most recently authorized period of time for imposing the tax,
23 continue to impose the voted tax each year for an additional
24 period not to exceed 10 years at a rate not to exceed the
25 maximum rate approved at election until the tax is discontinued
26 or its rate increased following an election initiated by
27 petition. The bill also specifies that the election to impose
28 the levy under Code section 260C.22 shall be initiated by
29 resolution of the board of directors of the merged area.

30 The bill provides that upon the receipt of a petition
31 containing the required number of signatures, the board of
32 directors of a merged area shall direct the appropriate county
33 commissioners of elections to submit to the registered voters
34 of the merged area the question of whether to discontinue the
35 authority of the board of directors to impose the voted tax or

1 to increase the maximum rate of the tax. The petition must be
2 signed by eligible electors equal in number to not less than
3 25 percent of the number of votes cast at the last preceding
4 election in the merged area where the question of imposition
5 of the tax appeared on the ballot and received by the board
6 of directors by June 1 of the year in which the election is
7 to be held. If a majority of those voting on the question
8 favors discontinuance, the board may not impose the levy for
9 any fiscal year beginning after the expiration of the period
10 of time for which the tax was last approved at election or
11 by the board, as applicable. If the question of whether to
12 discontinue the board's authority to impose the tax fails to be
13 approved at election, the question may not be submitted to the
14 voters for a period of 10 years.

15 The bill also strikes obsolete provisions of Code section
16 260C.22 relating to the imposition of the voted tax in specific
17 years.

18 Current Code section 260C.28 provides that in addition to
19 a property tax levy of \$0.03 per \$1,000 of assessed value for
20 equipment replacement, the board of directors of a merged area
21 may certify for levy at a rate in excess of the \$0.03 per \$1,000
22 of assessed value, if the excess tax levied does not cause the
23 total rate certified to exceed a rate of \$0.09 per \$1,000 of
24 assessed value, and the excess revenue generated is used for
25 purposes of program sharing between community colleges or for
26 the purchase of instructional equipment, and the additional
27 levy is approved at election. The approval at election may be
28 for a period not to exceed 10 years.

29 Under the bill, following approval at two consecutive
30 elections where the question of imposition of the additional
31 tax was on the ballot, if the additional tax has been imposed
32 for a period of at least 20 consecutive years and the period
33 of time approved for imposing the additional tax is due to
34 expire, the board of directors of the merged area may, by
35 resolution, continue to impose the additional tax each year for

1 an additional period not to exceed 10 years until the tax is
2 discontinued following an election initiated by petition.

3 The bill provides that upon the receipt of a petition
4 containing the required number of signatures, the board of
5 directors of a merged area shall direct the appropriate county
6 commissioners of elections to submit to the registered voters
7 of the merged area the question of whether to discontinue the
8 authority of the board of directors to impose the additional
9 tax. The petition must be signed by eligible electors equal
10 in number to not less than 25 percent of the number of votes
11 cast at the last preceding election in the merged area where
12 the question of the imposition of the additional tax appeared
13 on the ballot. If a majority of those voting on the question
14 favors discontinuance, the board may not impose the additional
15 tax for any fiscal year beginning after the expiration of the
16 period of time for which the tax was last approved at election
17 or by the board, as applicable. If the question of whether
18 to discontinue the board's authority to impose the additional
19 tax fails to be approved at election, the question may not be
20 submitted to the voters for a period of 10 years.

21 The bill takes effect upon enactment and applies to merged
22 area taxes in effect on the effective date of the bill
23 and merged area taxes approved at election on or after the
24 effective date of the bill.